

Assembly Bill No. 1763

Passed the Assembly July 29, 2003

Chief Clerk of the Assembly

Passed the Senate July 27, 2003

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2003, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to add Section 12693.915 to the Insurance Code, relating to health care, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1763, Committee on Budget. Healthy Families Program: rural demonstration project funding.

Existing law establishes the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health care services to eligible children meeting certain household income requirements. Existing law authorizes the State Department of Health Services, in conjunction with the board, the County Medical Services Program board, and the Rural Health Policy Council, to develop and administer demonstration projects to fund rural collaborative health care networks to alleviate unique problems of access to health care in rural areas.

The Tobacco Tax and Health Protection Act of 1988, as added by Proposition 99, establishes the Cigarette and Tobacco Products Surtax Fund and authorizes moneys in the fund to be appropriated for specified purposes. The fund consists of 6 separate accounts, including, among others, the Unallocated Account. The Tobacco Tax and Health Protection Act of 1988 may be amended by a vote of $\frac{4}{5}$ of the membership of both houses of the Legislature as long as the amendment is consistent with the purposes of the act.

This bill would authorize funding for rural demonstration projects under the Healthy Families Program to be made available from funds appropriated from the Unallocated Account in the Cigarette and Tobacco Products Surtax Fund and from federal funds. Because the bill would amend Proposition 99, it would require a $\frac{4}{5}$ vote.

The bill would declare that it is to take effect immediately as an urgency statute.



The people of the State of California do enact as follows:

SECTION 1. Section 12693.915 is added to the Insurance Code, to read:

12693.915. (a) It is the intent of the Legislature to utilize fiscal resources in the most prudent and cost-efficient manner and to maximize the use of federal funds for services when feasible. Therefore, the Legislature intends to access funds from the Unallocated Account in the Cigarette and Tobacco Products Surtax Fund created in Section 30122 of the Revenue and Taxation Code, and as appropriated in the annual Budget Act, and to use these funds to obtain a 65-percent federal match through California's allocation from the State Children's Health Insurance Program (SCHIP). These funds will then be used under the state's Healthy Families Program specifically for the rural demonstration projects established in Section 12693.91.

(b) Notwithstanding Section 30122 of the Revenue and Taxation Code, funding for the rural demonstration projects as provided under the Health Families Program may be made available from the funds appropriated from the Unallocated Account in the Cigarette and Tobacco Products Surtax Fund and from funding received pursuant to Title XXI of the federal Social Security Act. These funds shall be used as provided under Section 12693.91.

(c) Subdivision (b) constitutes an amendment of the Tobacco Tax and Health Protection Act of 1988, as added by Proposition 99.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to take effect at the earliest possible time, it is necessary that this act take effect immediately.



Approved _____, 2003

Governor

